

through its operating subsidiary that is different from that permissible for the parent national bank, subject to the additional requirements specified in 12 CFR 5.34(f). For activities not previously approved by the OCC, the OCC provides public notice and opportunity for comment on the application by publishing notice of the application in the **Federal Register**.

Zions First National Bank (Zions), Salt Lake City, Utah has applied to the OCC pursuant to 12 CFR 5.34(f) to commence the activity described below in an existing operating subsidiary. This subsidiary currently provides brokerage and investment advisory services relating to securities and investment products. Zions' application generally describes the proposed activities in which the operating subsidiary would engage as follows:

The subsidiary would underwrite, deal in, and invest in securities of states and their political subdivisions. These securities would include: (i) Obligations presently defined by the Comptroller as general obligations of states and political subdivisions (General Obligation Securities); and (ii) other obligations of states and their political subdivisions that do not qualify under the Comptroller's current definitions as general obligations (Revenue Bonds).

Zions currently underwrites, deals in, and invests in General Obligation Securities, and Zions' sales force markets these products to an institutional clientele. Zions will continue to underwrite, deal in, and invest in General Obligation Securities, and proposes that its subsidiary conduct similar activities with respect to Revenue Bonds. Zions will provide brokerage and investment advice, as agent, to institutional customers regarding Revenue Bonds underwritten by the subsidiary. In all instances, Zions' sales representatives will fully disclose that Zions is acting only as agent and that the securities are underwritten by the subsidiary, not Zions. The subsidiary will clear all transactions in municipal securities through Zions, and Zions will fully disclose in public contacts, including in confirmations, that it acts solely as clearing agency and that the subsidiary is the underwriter (or dealer, if appropriate).

The OCC reviews operating subsidiary applications to determine whether the proposed activities are legally permissible for an operating subsidiary and to ensure that the proposal is consistent with safe and sound banking practices and OCC policy and does not

endanger the safety or soundness of the parent national bank. In publishing notice of the application, the OCC does not take a position on issues raised by the proposal. Notice is published solely to seek the views of interested persons on the issues presented and does not represent a determination by the OCC that the proposal meets, or is likely to meet, the criteria outlined above. Interested parties are invited to comment on any aspect of the application.

Dated: April 14, 1997.

**Eugene A. Ludwig,**

*Comptroller of the Currency.*

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## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

[Docket No. 97-09]

#### Notice and Request for Comment on Application

**AGENCY:** Office of the Comptroller of the Currency, Treasury.

**ACTION:** Notice and request for comment on an application pursuant to 12 CFR 5.8(f).

**SUMMARY:** The Office of the Comptroller of the Currency (OCC) is giving public notice and requesting comment concerning a merger application filed with the OCC which raises issues regarding national banks' authority to conduct interstate fiduciary activities.

**DATES:** Comments should be submitted on or before May 19, 1997.

**ADDRESSES:** Written comments regarding the application should cite OCC Application Control Number 97-ML-02-0005 and should be sent to the Communications Division, 250 E Street, SW, Third Floor, Washington, DC 20219. Attention: Docket No. 97-09. In addition, comments may be sent by facsimile transmission to FAX number (202) 874-5274 or by electronic mail to REGS.COMMENTS@OCC.TREAS.GOV. Copies of the public portions of the merger application and any public comments will be available for inspection and copying at the OCC's Public Reference Room, 250 E Street, SW, Washington, DC 20219. Appointments to inspect the application and comments can be made by calling (202) 874-5043. Copies are also available upon written request from the

Disclosure Unit of the Communications Division.

#### FOR FURTHER INFORMATION CONTACT:

Robert C. Criswell, Associate Licensing Manager, Multinational Banking, (202) 874-4610; Cheryl A. Martin, Senior Licensing Policy Analyst, Licensing Policy and Systems Division, (202) 874-5060; Richard H. Cleva, Senior Counsel, Bank Activities and Structure Division, Law Department, (202) 874-5300.

**SUPPLEMENTARY INFORMATION:** Bank One Trust Company, N.A., Columbus, Ohio, and Bank One Wisconsin Trust Company, N.A., Milwaukee, Wisconsin, have applied to the OCC for approval to merge under 12 U.S.C. 215a-1, 1828(c)(2), and 1831u(a). Following the merger, at former locations of the Wisconsin Trust Company, Bank One Trust Company plans to have a branch and other locations in Wisconsin at which it will conduct business as a fiduciary. However, Wisconsin banking law contains a provision that could be interpreted as preventing an out-of-state national bank, such as Bank One Trust Company, from having a branch or other place of business in Wisconsin for the conduct of business as a fiduciary, as Bank One Trust proposes to do. See Wisc. Stat. § 223.12(3).

This merger application therefore raises the issue of whether the authority of national banks to exercise fiduciary powers on an interstate basis pursuant to 12 U.S.C. 36 and 92a preempts conflicting state law that would prevent the exercise of that authority. See Interpretive Letter No. 695, December 8, 1995, and 12 CFR 9.2(g). Because this transaction presents one of the first two situations in which proposed interstate fiduciary activities could be in conflict with state law, as well as one of the first transactions raising issues regarding interstate fiduciary activities subsequent to the effective date of revisions to 12 CFR Part 9, the OCC has determined it would be appropriate under 12 CFR 5.8(f) to solicit additional public comment on the application and the preemption issue it presents. The OCC will carefully consider any comments received in reviewing and acting upon the merger application.

Dated: April 14, 1997.

**Eugene A. Ludwig,**

*Comptroller of the Currency.*

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